

1,42  
7750UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION  
Washington, D. C.

Reserve

Dear Committeeman:

March 23, 1940

Without the acreage allotment and Ever Normal Granary program, Corn-Belt farmers would be facing the present surplus hog situation with no means for meeting it. Every farmer can figure for himself how much larger the corn crop would have been without acreage allotments, or what the effect would have been if about one-half billion bushels had not been stored.

More than a year ago Claude Wickard, then Director of the North Central Division, wrote Triple-A committeemen warning them that the large corn crops of 1937 and 1938, produced before the present Triple-A program became fully effective, would surely result in overproduction of hogs and low prices. Everyone knows that prediction came true. He based his warning on the fact that large feed supplies are always followed by increased livestock numbers. It is now estimated that we have 84,000,000 head of hogs. The total United States meat supply in 1940 is expected to be larger than for any year since 1923 and a billion pounds more than in 1939.

There are two favorable factors in the present situation. Domestic demand for pork products should be somewhat stronger in 1940 as a result of increased industrial production. The acreage allotment and Ever Normal Granary program is enabling the farmers to work themselves gradually into a healthy supply and price situation. For the first time farmers have an effective farm program for doing something about the old corn-hog cycle.

The war has not relieved the price situation. The seasonal rise which normally should come in late winter did not occur. The blockade shuts our products out of German controlled markets. Britain normally takes 71 percent of our cured pork exports, and for the last six months these exports have been less than normal. Lard exports to the United Kingdom have declined.

British wartime farm policy has developed along four lines: (1) Cut down volume of imports by increasing domestic production and by rationing the people. (2) Get as many imports as possible from British dominions. (3) Of the remainder get as much as possible from European neutrals that might otherwise supply Germany. (4) Of the remainder get all possible from foreign countries where the exchange situation is most favorable.

Unless the British alter their buying policy or unless shipping from other sources for meats and fats becomes extremely hazardous, exports of American pork products are likely to continue less than under peace time conditions.

Summing it all up, the war has intensified the effect of surplus hogs growing out of big, uncontrolled corn crops in the years before farmers had an effective crop production control program. The Triple-A program has shielded farmers from the worst effects of this situation and furnishes the means of getting the hog market on a reasonable and healthy basis during the next 12 months. Good advice for 1940 is to keep within corn acreage allotments.

Sincerely yours,

*Harry N. Schooler*  
Harry N. Schooler,  
Director  
North Central Division.



